



PPG Industries, Inc. One PPG Place, 36th Floor Pittsburgh, Pennsylvania 15272

Phone: (412) 434-2276 FAX: (412)-434-2800 E-Mail: droberts@ppg.com

**David G. Roberts**  
Business Manager, Fine Chemicals

May 14, 2001

Mr. J. Randal Tomblin  
President and CEO  
Cedar Chemical Corporation  
5100 Poplar Ave.  
Suite 2414  
Memphis, TN 38137

Dear Randal,

Enclosed please find one fully executed copy of the DCPI Agreement Amendment for your files.

We appreciate your assistance in working through the sticky issues during the initial few months of operation and look forward to a long relationship supplying DCPI.

Very truly yours,

PPG Industries, Inc.

A handwritten signature in black ink, appearing to read 'David G. Roberts', written in a cursive, flowing style.

David G. Roberts

cc: Ray Finocchio  
Michael McGarry

9352033



**FIRST AMENDMENT  
PPG - CEDAR CHEMICAL CORPORATION  
DCPI TOLLING AGREEMENT**

THIS FIRST AMENDMENT to DCPI Tolling Agreement, by and between PPG Industries, Inc. ("PPG") and Cedar Chemical Corporation ("Cedar").

The purpose of this Amendment is to amend the DCPI Tolling Agreement, by and between PPG and Cedar signed by Cedar on February 25, 1999 and by PPG on February 18, 1999 pursuant to which PPG toll produces for Cedar 3,4- dichlorophenyl isocyanate (the "Agreement"). Therefore, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Count 2001 as first "Contract Year" as that term is used in the Agreement.
2. Cedar shall have no minimum purchase requirement for the year 2001.
3. In years 2002 through 2005 Cedar's minimum purchase obligation shall continue to be 20 MM lbs., as it currently is under the Agreement
4. In years 2006 through 2010 Cedar's minimum purchase obligation shall continue to be 25 MM lbs., as it currently is under the Agreement
5. Notwithstanding item number 2 above, in 2001 PPG would have guaranteed payments by Cedar of \$3.21 MM. Of that amount, \$900,000 would be for PPG's capital recovery.
6. In 2001, within the \$3.21 MM referred to in item number 5, Cedar would be entitled to purchase up to 3.3 MM lbs. of DCPI at \$0.70/lb.
7. In 2001, Cedar would use its best effort to purchase 1.0 MM lbs. in excess of the 3.3 MM lbs. referenced in item number 6. The price of any of such 1.0 MM pounds would be \$0.50/lb.
8. Any pounds not purchased by Cedar in order to bring PPG's total revenue to the \$3.21MM referenced in item number 5 above, would be invoiced on December 31, 2001 with net 30 day terms.
9. In 2001 only, notwithstanding the provisions of Section 4.3.1 of the Agreement, PPG is entitled to keep 100% of any DCA conversion efficiency improvements, i.e. any improvement beyond the 0.95 units of DCA per pound of DCPI. After 2001, the requirements of Section 4.3.1 of the Agreement shall resume.
10. PPG will share the capital cost 50/50 with Cedar of modifications required at EMV to safely handle DCPI, said share not to exceed \$75,000, to be paid within 30 days after submission by Cedar/EMV with supporting documents of total cost of those modifications.
11. PPG agrees to use its best efforts to identify other isocyanates or other chemical products that can be produced economically in the DCPI facility.
12. In all other respects not addressed by this Amendment, the Agreement is ratified according to its original terms.

PPG INDUSTRIES, INC.

By: M. H. McGarry

Name (Print): MICHAEL H. MCGARRY

Title: Gen. Mgr. FINE CHEMICALS

Date: 5/7/01

Approved as to  
legal form:

Frank D. Dault  
(LAWYER)

5-08-01

CEDAR CHEMICAL CORPORATION

By: J. Randal Tomblin

Name (Print): J. RANDAL TOMBLIN

Title: Pres & CEO

Date: April 20, 2001

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PPG INDUSTRIES, INC.

CEDAR CHEMICAL CORPORATION

By: \_\_\_\_\_

By: J. Randal Tomblin

Name (Print): \_\_\_\_\_

Name (Print): J Randal Tomblin

Title: \_\_\_\_\_

Title: Pres & CEO

Date: \_\_\_\_\_

Date: April 20, 2001



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5100 Poplar Ave. • Suite 2414 • Memphis, TN 38137

J. Randal Tomblin  
President and CEO

April 23, 2001

Mr. Raymond L. Finocchio  
Senior Account Manager, Fine Chemicals  
PPG Industries, Inc.  
1773 Stanley Boulevard  
Birmingham, MI 48009

Re: DCPI Amendment

Dear Ray:

Enclosed please find two fully executed copies of the DCPI Agreement Amendment. Please return one copy executed by PPG for my files.

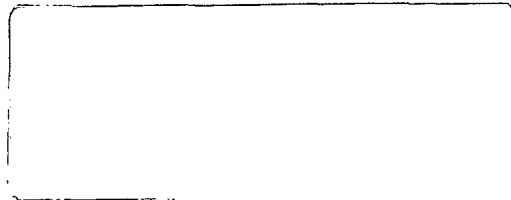
As always, Ray, I appreciate your support and assistance. With the difficulties in getting the PPG plant fully on stream and continuing problems in consistent reliable operation, it is obvious that PPG and Cedar must maintain a cooperative relationship as we work to reestablish our position in the global market. The subject Amendment is a step in the right direction, and it is imperative that both PPG and Cedar continue to work together for our mutual long-term benefit.

I will keep you informed of developments as we proceed through 2001 and fully expect that additional joint discussions will be required in the fourth quarter as we plan the business for 2002 and beyond. For your immediate information, Makhteshim rejected our proposal to supply up to 1000mt of DCPI per year for the next three years. Although the price was acceptable, they insisted on a long-term supply agreement before they will drop their present supplier in favor of Cedar. They indicated that they will consider the purchase of 50-100 mt during the last half of 2001 on a trial basis.

Sincerely,

A handwritten signature in cursive script that reads "Randal Tomblin".

Randal Tomblin



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Name (Print): J. RANDAL TOMBLIN

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